

current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables the NTCs and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to Bell Communications Research, Inc. ("Bellcore"), the owner of CCSCIS.

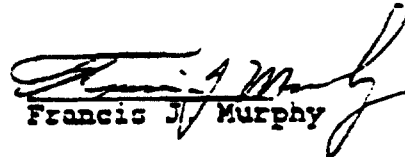
3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without [CCSCIS or similar model], LECs do not need to rely on such a model for this service." That statement is not valid with respect to the NTCs. The NTCs have relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable the NTCs to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

4. Paragraph 29 of the July 19 Order directs any LEC that relies upon CCSCIS or a similar model in this proceeding "to disclose those models on the record." Bellcore imposes limits on the use of CCSCIS by the NTCs and has established severe restrictions on the disclosure of information contained in or pertaining to the CCSCIS model. The NTCs have complied with those restrictions. The NTCs cannot comply with those restrictions and also "disclose" CCSCIS "on the record."

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Pursuant to 28 U.S.C. § 1746, I declare under penalty
of perjury that the foregoing is true and correct.

Executed on July 28, 1993.


Francis J. Murphy

**United States of America
Federal Communications Commission**

In the Matter of

800 Data Base Access Tariffs and the
800 Service Management System Tariff

CC Docket No. 93-129

Declaration of Robert E. Sigmon

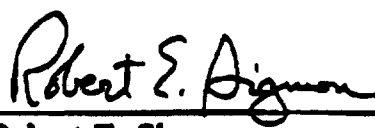
1. I am Vice President - Regulatory Affairs for Cincinnati Bell Telephone Company ("CBT"). CBT is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in the Common Carrier Bureau's Order Designating Issues for Investigation released July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related herein, and am competent to testify regarding them if called upon to do so.

2. The Common Channel Signalling Cost Information System ("CCSCIS") is a computer model used by CBT, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7-based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables CBT and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. The vendor data is proprietary and the CCSCIS model is both a trade secret and proprietary, according to Bell Communications Research, Inc. ("Bellcore"), the owner of CCSCIS.

3. Footnote 24 of the July 19 Order states that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without [CCSCIS or similar model], LECs do not need to rely exclusively on such a model for this service." That statement is not valid with respect to CBT. CBT has relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable CBT to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 28, 1993.



Robert E. Sigmon

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UNITED STATES OF AMERICA
FEDERAL COMMUNICATIONS COMMISSION

In the Matter of)	CC Docket No. 93-129
800 Data Base Access Tariffs)	
and the 800 Service Management)	
<u>System Tariff</u>)	

Declaration of Martin W. Clift

1. I am Director of Regulatory Matters for The Southern New England Telephone Company (SNET). SNET is a local exchange carrier ("LEC") and a participant in the above-captioned proceeding. I provide this declaration to address statements contained in Common Carrier Bureau's Order Designating Issues for Investigation dated July 19, 1993 ("the July 19 Order"). I am personally familiar with the facts related here, and am competent to testify regarding them if called upon to do so.

2. The Common Channel Signaling Cost Information System ("CCSCIS") is a computer model used by SNET, a CCSCIS licensee, to calculate and apportion the shared SS7 investments used by 800 data base and other SS7 based services. A key feature of CCSCIS is its incorporation of current cost data from five equipment vendors (Northern Telecom, DSC Communications, Digital Equipment Corporation, Ericsson and AT&T). This enables SNET and other users of CCSCIS to develop accurate and up-to-date service specific investments for purposes of this and other proceedings. In

- 2 -

addition to the vendor data, the model also includes SNET specific information that is proprietary, confidential, and which constitutes trade secret information. To the best of my knowledge SNET has never publicly disclosed this information.

3. Footnote 24 of the July 19 Order stated that "since, in the present proceeding, two LECs were able to develop costs for 800 data base service without (CCSCIS or similar model), LECs do not need to rely on such a model for this service." That statement is not valid with respect to SNET. SNET has relied upon CCSCIS to develop investments for the 800 data base service. I am not aware of any other means or process for developing those investments that would enable SNET to develop reasonable costs for 800 data base vertical services for this proceeding and that would not also involve applications of proprietary data and models.

Pursuant to 28 U.S.C. Section 1746, I declare under penalty of perjury that the foregoing is true and correct.
Executed on July 29, 1993.

Martin W. Ciftci
(Declarant)

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington DC 20554

-----)
In the Matter of)

800 Data Base Access Tariffs and the) CC Docket No. 93-129
800 Service Management System Tariff)
-----)

Declaration of Kenneth A. Moreland

1. I am Kenneth A. Moreland, Staff Administrator - New Services Pricing, GTE Telephone Operations, 600 Hidden Ridge, HQE02D12, Irving, Texas 75038. I provide this declaration to address statements contained in the Order Designating Issues for Investigation released by the Acting Chief, Common Carrier Bureau, July 19, 1993 ("the July 19 Order"), 800 Data Base Access Tariffs, CC Docket No. 93-129, particularly at footnote 24. I am personally familiar with the facts related herein, and am competent to testify as to those facts if called on to do so.

2. I developed the cost analysis and pricing to support the 800 Data Base tariff filings on March 1, 1993 (Transmittal Nos. 775 and 36) of the GTE and Contel telephone companies. The following procedures were carried out utilizing a costing model developed by GTE:

A. I identified equipment involved in providing 800 Data Base service, including equipment already owned or leased by the company as well as equipment planned to be purchased or leased.

B. I identified the vendor's price to GTE for equipment purchased or to be purchased. Leased facility costs were

calculated based on tariffed rate elements under the tariffs of interexchange carriers. Pricing for equipment was furnished by the equipment vendors with the understanding that contract details concerning pricing and sizing parameters would be held proprietary.

C. Based on GTE's forecasted usage of the equipment involved, I either directly assigned the anticipated aggregate equipment costs to 800 Data Base service when it was planned to be dedicated to that service, or otherwise allocated the cost among services in accordance with anticipated relative usage for each unit of equipment.

D. Based on GTE's forecasts of the anticipated volume of SS7 Message Signaling Units (the lowest measurable common denominator for SS7 traffic), I calculated "Total Capitalized Cost" and "Total Expensed Cost" for an 800 Data Base query as shown on Exhibit 6 in GTE's March 1 tariff filing.

3. In carrying out the foregoing, I did not use the Common Channel Signaling Cost Information System ("CCSCIS") or the Switching Cost Information System ("SCIS"), both developed by Bellcore.

4. GTE's costing model is used to develop SS7-related costs for other services in addition to 800 Data Base costs. Embodied within this model is intellectual property and technical information, including some which constitute trade secrets. This information is highly sensitive and proprietary not only to GTE but also to its various equipment vendors.

Pursuant to 28 U.S.C. Section 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 28, 1993.


Kenneth A. Moreland



AUG - 2 1993

1850 M Street, N.W. 11th Floor
Washington, D.C. 20036
Telephone: (202) 828-7452

Richard D. Lawson
Director
Federal Regulatory Relations
United Telephone Companies

July 29, 1993

Mr. Gregory J. Vogt
Chief, Tariff Division
Federal Communications Commission
1919 M. Street, Room 518
Washington, DC 20554

Dear Mr. Vogt,

Representatives of Bellcore asked the United Telephone companies (United) to send you this letter regarding United's use of a model to determine the capital costs included in United's rates for 800 data base vertical features.

I consulted with the United costing and rate development experts that prepared United's 800 data base tariff filing. They inform me that United did not include any capital costs in the rates for vertical features. Accordingly, United did not use Bellcore's CC SCIS costing model or any equivalent costing model to calculate the capital costs of 800 data base vertical features.

However, United's experts also inform me that had United chosen to include capital costs, the same could not have been precisely determined without the use of a proprietary model or process containing vendor proprietary information or commercially sensitive information.

If you have questions about this matter, please contact me at the telephone number or address shown above.

Sincerely,

Richard D. Lawson

cc: Jay C. Keithley
Vice President - Law and External Affairs
Sprint/United Telephone
Craig Smith
Senior Attorney
Sprint/United Telephone
Stuart Drake
Kirkland & Ellis
James F. Britt
Bellcore



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August 23, 1993

James F. Britt
Executive Director
290 W. Mt. Pleasant Ave.
LCC 2E-243
Livingston, NJ 07039

RE: 800 Data Base Designation Order - Cost Model Disclosure
Requirements

Based upon discussions with the FCC staff in the referenced matter, you recently asked AT&T-NS to consider two proposed options intended to address the review of Bellcore cost models (e.g. CCSCIS and/or SCIS). Our comments are summarized as follows:

1. Provide intervenor access, under very rigid and controlled processes and nondisclosures.

Bellcore cost models contain AT&T-NS information that is highly proprietary and competitively sensitive. Although nondisclosure agreements offer some protection, that level of protection is not sufficient, in the view of AT&T's Law Department, in these circumstances. Whether a nondisclosure agreement's protection is adequate in each situation is a function of balancing the nature of the proprietary information involved and the harm which will occur upon disclosure against the protections offered by the nondisclosure agreement. The degree of competitive harm is such that even the smallest risk that the nondisclosure agreement might be violated is sufficient in this instance to lead AT&T-NS to the conclusion that this recommended approach is not acceptable. Further, AT&T-NS does not believe that it would possess an adequate remedy at law to compensate AT&T-NS for the potential losses which might occur if an individual were to violate the nondisclosure agreement.

2. Provide some type of vendor certification to the commission stating that vendor input information is used within the Bellcore cost model(s) without modification or misrepresentation.

2.

At this point, AT&T-NS understands that some type of vendor certification may be an appropriate activity for this regulatory situation. In concept, we are supportive. We do, however, reserve our final, more definitive response to some later date when the process details have been established.

In general, AT&T-NS is interested in cooperating with Bellcore, the operating companies, and the FCC as much as possible. In doing so, two objectives are foremost: 1) protection of our proprietary information; and 2) maintaining minimum expense levels. Should all possible alternatives be unacceptable to the FCC, and the order to disclose Bellcore cost model information is implemented, AT&T-NS will regretfully and immediately cease to provide all product, price, and feature information to Bellcore for cost model development.

We are available to explore the possibilities of a vendor certification process if appropriate. Please contact me on 708-224-4178 when further assistance is needed.



M. R. Bruening
AT&T-NS
Service Cost, Tariff, and
Regulatory Consultant

Copy to:
D. Pines

Digital Equipment Corporation
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20 Corporate Place South
Placataway, New Jersey 08855-1345
908.562.4000

AUG 17 1993



August 16, 1993

Mr. James Britt
Bell Communications Research
290 W. Mount Pleasant Ave.
Rm.: LCC 2E243
Livingston, N.J. 07039


Dear Mr. Britt:

Thank you for your call regarding the options available to Digital regarding the release of information provided by Digital to Bellcore for use in Bellcore price models.

We understand that certain intervening parties would like to obtain access to elements of information contained in the Bellcore model. With respect to the pricing information provided by Digital, we would agree to review its accuracy as contained within your pricing model and provide a statement attesting thereto.

Digital List Pricing is open and available to customers. However, individual company discounts and allowances we consider to be confidential.

Yours truly,


Nicholas Locsin
Account Executive
Telecommunications

NL/pp

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AUG 26 1993

**DSC Communications
Corporation**

WILLIAM R. TEMPEST
Vice President,
Secretary and
General Counsel
August 24, 1993

FAKED
8-24

Mr. James Britt
Executive Director
Bell Communications Research, Inc.
290 West Mt. Pleasant Avenue
Livingston, NJ 07039

Dear Mr. Britt:

The purpose of this letter is to confirm our recent telephone conversation regarding certain matters pending before the Federal Communications Commission ("FCC").

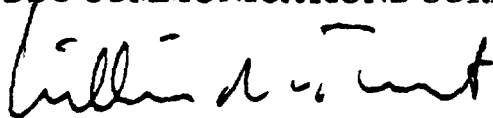
You have advised me that the FCC has requested those local exchange carriers ("LEC's") which rely on cost models to file those models on the public record. At least some of those models were trade secrets or contained trade secrets or proprietary information.

Bell Communications Research, Inc. ("Bellcore") has delivered to the FCC affidavits from, among others, all of the Regional Bell Operating companies, Southern New England Telephone, GTE and Cincinnati Bell indicating that the cost models included proprietary information of vendors, including, in some instances, DSC Communications Corporation.

I understand the FCC has proposed two alternatives. Under one alternative, a vendor such as DSC would allow a certain number of interveners (AT&T, Sprint, MCI, etc.) to look at the capacity of our product, and review costs and prices, among other things. Access to this information would be limited, would be filed under seal and it is possible that there could be civil penalties for misuse or unauthorized disclosure of the information. We find this alternative unacceptable. Regardless of the safeguards imposed, at least one of our major competitors would have access to highly sensitive information concerning our products.

A second alternative would be for us to certify the information contained in the models is what was provided to Bellcore and others by our Company. This would require consultation between us and the affected LEC's to confirm that the information contained in their respective pricing models accurately reflects information provided by DSC. As between the two proposed alternatives, we find the second alternative less unpalatable.

Very truly yours,
DSC COMMUNICATIONS CORPORATION

A handwritten signature in black ink, appearing to read "William R. Tempest". The signature is fluid and cursive, with a prominent initial "W" and a long, sweeping underline.

William R. Tempest
Vice President, Secretary
& General Counsel

cc: Mo Shabana



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Northern Telecom Inc.

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AUG 19 1993

August 13, 1993

James F. Britt, Executive Director
Bell Communications Research, Inc.
Room LCC-2E-243
290 W. Mt. Pleasant Avenue
Livingston, New Jersey 07039

RE: FCC 800 Database Designation Order
(CC Docket No. 93-129)

Dear Jim:

This letter is to confirm our recent conversation regarding possible vendor response options to the above-referenced FCC Designation Order pertaining to 800 Database Access Tariffs which was adopted and released by the FCC's Common Carrier Bureau on July 19, 1993.

Our objective at Northern Telecom Inc. is to cooperate as fully as possible with Bellcore and the FCC in connection with the Designation Order, consistent with the appropriate protection of Northern Telecom Inc.'s confidential information including technical and other strategically sensitive data.

You indicated during our conversation that the FCC and Bellcore desire to avoid following the same expensive and time-consuming process with respect to the Designation Order that was followed in connection with the FCC's ONA proceeding in order to protect the switch vendors' confidential information. In that regard, you also indicated to me that two alternative processes for protection of the switch vendors' confidential information are under consideration in order to address the FCC's requirements as well as the concerns of the switch vendors, such as NTI, for the protection of their confidential information.

As I understand these alternative processes, one process would involve some form of certification or confirmation to be provided by

each switch vendor to the FCC concerning the accuracy and/or completeness of that switch vendor's switch data that has been furnished to Bellcore for use by Bellcore in populating Bellcore's CC SCIS model. The other process, as I understand it, would require the agreement of the switch vendors to allow Bellcore to disclose fully the CC SCIS model and its contents, including the switch vendors' confidential information, to intervenors in the Designation Order proceeding, subject to a Nondisclosure Agreement.

In our view, the latter alternative involving full disclosure of the CC SCIS model does not appear to be appropriate for protection of NTI's confidential information. The information provided by Northern Telecom to Bellcore in connection with the CC SCIS model is similar to that provided by NTI to Bellcore with respect to Bellcore's SCIS model which was the subject of the FCC's ONA proceeding. In that regard, our position concerning the possible disclosure of Northern Telecom's information to intervenors in this proceeding, even under a Nondisclosure Agreement, would be similar to the position we took in the FCC's ONA proceeding. We would object to such disclosure. Northern Telecom would not object, however, to protections in this proceeding which were no less protective of Northern Telecom's confidential information than the protections which applied to Northern Telecom's information pursuant to the FCC's ONA proceeding.


On the other hand, we believe that it is possible that the other alternative process which would involve some type of certification or confirmation by NTI and the other switch vendors with respect to the accuracy and/or completeness of their switch data that was used by Bellcore to populate the CC SCIS model may be appropriate. Before Northern Telecom could take a definitive position on this alternative we would need to understand better the details concerning the processes and requirements that would apply to the alternative. For example, since Northern Telecom has had limited access to the CC SCIS model, it would not appear to be appropriate for Northern Telecom to certify or confirm that Northern Telecom's information has, in fact, been appropriately inputted into the CC SCIS model.

In conclusion, we believe the certification/confirmation process identified above is likely to be the more appropriate of the two alternatives for the protection of Northern Telecom's and the other switch vendor's confidential information. We are willing to consider

Page 3

that alternative further upon receipt of a more detailed description of that alternative. We would be pleased to work with you and/or the FCC to attempt to provide our insights with respect to the further definition of that alternative, if you believe that would be helpful.

Sincerely,


John Beall
Department 7219, RTP

st6192a/fs

cc: Paul DeJongh
Mike Bass

CERTIFICATE OF SERVICE

I, Stuart A.C. Drake, do hereby certify that on this 16th day of September, 1993, I have caused copies of the foregoing **PETITION FOR WAIVER** and **AFFIDAVIT OF JAMES F. BRITT** to be served via first-class United States Mail, postage prepaid, upon the persons listed on the attached service list.


Stuart A.C. Drake

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